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Community Development

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Alsie Bond, Manager
Community Development Services Department
City of Bryan
405 W. 28th Street
Bryan, Texas 77803

Dear Ms. Bond,

SUBJECT: Annual Community Assessment for Program Year 2009
(October 1, 2009 – September 30, 2010)

The primary purpose of this letter is to share the conclusions of the Annual Community Assessment (ACA) conducted by the U. S. Department of Housing and Urban Development (HUD) of the programs included in the City of Bryan's Consolidated Annual Performance and Evaluation Report (CAPER). The evaluation is based upon the grantee's CAPER, data as reported in the Integrated Disbursement and Information System (IDIS) and other information (Consolidated Plan, financial reports, etc.) available to this office. The Consolidated Plan Management Process (CPMP) Tool in particular provided a great deal of vital information. Through this performance review, HUD's Office of Community Planning and Development (CPD) is able to combine the statutory and regulatory requirements for evaluation of program progress, review program management and determine whether or not the City has the continued capacity to adequately implement and administer the programs for which federal assistance is received.

During the course of the preparation of the ACA, CPD has examined the City's management of funds and activities undertaken for consistency with the priorities and objectives outlined in the City's Consolidated Plan. Therefore, the information provided in the CAPER for this and past program years was examined for compliance and accuracy with statutory and regulatory requirements (Part 91.520 and 91.525). CPD's review is based on an evaluation of the City's consolidated planning, program progress in the program management of funds and subrecipients, the annual performance report, and the achievement of program objectives. In Program Year 2009, Bryan received \$941,398 in Community Development Block Grant (CDBG) funds and \$474,706 in HOME Investment Partnerships Act (HOME) funds.

HUD congratulates the City of Bryan on those many noteworthy accomplishments achieved as a direct result of the professionalism and hard work of the City of Bryan's staff and management during the past year. HUD looks forward to further refinement in those areas that are capable of being improved upon so that the City may achieve all the yearly and multi-year goals for the next Consolidated Plan period.

Primary Benefit

In 2009, the City expended 100 percent of its CDBG funds for activities that benefit low and moderate income (LMI) persons. This percentile meets and even exceeds the 70 percent minimum standard for overall program benefits. As a result, the City of Bryan is to be commended for the City's resolute commitment to activities benefiting low and moderate income persons.

Planning and Administration

In 2009, the amount of funds expended on planning and administration with CDBG funds equated to 19.88 percent which almost equals the 20 percent cap for these activities. So, the City was just within the allowable percentage. However, the City should maintain careful vigilance regarding this requirement into the future in order to ensure that the 20 percent cap is not exceeded.

Public Services

In 2009, the City obligated 14.96 percent of CDBG funds for public services. This percentile is within the 15 percent cap and is therefore fully acceptable. However, the City should continue to pay close attention to this requirement in order to make certain that the 15 percent cap is not exceeded in future years.

Owner Occupied Rehabilitation/Reconstruction

For Program Year 2009, Table 1C reflects that the City had an objective regarding owner occupied rehabilitation and/or reconstruction. The City utilizes both CDBG and HOME funds for this objective. Specifically, the City had the annual objective of rehabilitating and/or reconstructing 5 substandard housing units to standard condition or 25 over the 5 year period. The actual accomplishment was only 3 owner occupied rehabilitation/reconstruction projects completed which equates to 60 percent of the annual objective for the 2009 Program Year. Fortunately, the City of Bryan met the annual goal in 2005. However for 2006-2009, the City missed the yearly specific objective in each year.

As a result of the downturn in progress beginning in 2006, the City was ultimately unsuccessful in achieving the multi-year goal of 25. Indeed, the City's actual achievement at the end of the five year period equated to 14 or 56% of the multi-year goal of 25. Therefore, it is worth noting that only slightly more than one half of the actual multi-year goal was actually accomplished by the end of the five year period. Obviously, this is an unfortunate situation especially when one considers the great need in the City for rehabilitation and/or reconstruction in "deteriorating neighborhoods." As the City embarks on a new five year period, please ensure that yearly and multi-year goals are achieved or exceeded in future years.

Minor Home Repair Assistance Program

In Program Year 2009, the City of Bryan had an annual objective relating to the Minor Home Repair Program. Specifically, the City had the goal of providing repairs through for-profit contractors and non-profit housing organizations for minor repairs by assisting with 15 projects annually or 75 over the 5 year period. The City of Bryan not only exceeded this goal with more than 100 percent (160 percent) compliance in 2009 but indeed has met and in fact exceeded this yearly goal for each of the five years of the Consolidated Plan period. As a result of the hard work of the staff with regard to each yearly goal for this activity, Bryan far exceeded the five year goal of 75 by actually completing 149 which equates to a percentile of over 198 percent of the five year goal. This is an outstanding achievement.

As a result, the City of Bryan performed at an ideal and exceptional level of performance with regard to this particular objective. CPD appreciates your hard work and dedication and that of your staff with regard to this goal. CPD is extremely pleased with the City of Bryan's performance regarding this yearly and multi-year goal and greatly desires to see this level of performance (or at least at the 100 percent level) be replicated with respect to all of the City's annual goals in the next five year period.

Integrated Disbursement and Information System – PR03

It was noted during the review that the City of Bryan generally does provide highly pertinent information in the accomplishment and description fields of IDIS as demonstrated on the PR03 Report for Program Year 2009. This is a significant achievement by the City of Bryan. The IDIS system is an absolutely critical and crucial system which is relied upon to determine the status and progress of the CDBG Program.

However, one activity did raise a concern with regard to accuracy. Activity 744 is listed with a status of open. However, it was noted that the entire funding amount of \$17,212 was drawn in the program year to the very last dollar. Therefore, it appears that the status of open is erroneous and that the status should likely be listed as completed. Please continue to ensure that the information reflected in IDIS is not only accurate and comprehensive but also updated in a timely fashion for all activities.

Reporting

CPD is very appreciative of the City of Bryan's superb work in compiling and reporting accomplishments for the CDBG and HOME program as well as the relatively new Community Development Block Grant – Recovery Act (CDBG-R) program. The City of Bryan is a very effective CPD partner and generally does an excellent job in serving the residents of the City of Bryan and in reporting on significant accomplishments.

HOME - Open Activities

The Outcome Performance Measurement System for Community Planning and Development's four formula programs, and the modernization of IDIS has brought renewed focus on the quality and timeliness of IDIS data input by participating jurisdictions (PJ) and other grantees. PJs must report HOME project completion and beneficiary data for initial occupants timely by entering it in IDIS on a regular basis, and periodically review the status of all projects in the system to identify those that need to be cancelled. The HOME final rule at 24 CFR 92.502(d)(1) requires PJs to enter project completion information into IDIS within 120 days of making a final draw for a project. Failure to do so is a violation of this provision and of 24 CFR 92.504(a), which states that PJs are responsible for managing day-to-day operations of its program. The final rule also states that HUD may suspend further project set-ups or take other corrective actions, if satisfactory project completion data is not provided.

In addition, failure to enter project completion data negatively impacts a PJ's score on several HOME Performance SNAPSHOTs indicators, understating actual accomplishments and reducing the PJ's statewide and national overall rankings. The frequent failure of PJs to timely enter completion and beneficiary data results nationally in underreporting of actual HOME Program accomplishments to Congress and the Office of Management and Budget (OMB) and may negatively impact future funding for the program.

PJs should have effective quality control systems in place in order to ensure that required project completion information and beneficiary data are complete, accurate and entered into IDIS at least monthly. Project completion information, including beneficiary data for any occupied units, should be entered into IDIS as soon as it is available. Beneficiary data for units that are vacant at the time of project completion should be entered as they are obtained. For homeowner rehabilitation projects, project completion data, including beneficiary data, should be entered as soon as the rehabilitation and final inspections are completed. For homebuyer projects (particularly those involving downpayment assistance with no construction activity), project completion and beneficiary data can often be entered at the time that a final draw is made, as total costs, other financing sources, and occupant information are known at that time. If this is not possible, project completion information should be entered immediately after the closing. Completing a project requires changing the status code in IDIS. Instructions for completing projects can be found in Chapter 4 of the IDIS Reference Manual available online.

Therefore, it is crucial that PJs improve their performance reporting both to comply with HOME regulations and to ensure accurate individual and national reporting on HOME accomplishments. To assist PJs in identifying projects that may need to be cancelled or projects that remain in "open" status despite their having been completed, CPD will be posting a report, the HOME PJs Open Activities Report, on its website each month. CPD strongly recommends that you frequently access this report and take appropriate action as per the guidance discussed above. CPD has begun publishing the report, HOME PJs Open Activities Report, on the internet at the following site:

<http://www.hud.gov/offices/cpd/affordablehousing/reports/open/>

Program Progress

The vital importance of the careful stewardship over taxpayer funded activities by the City of Bryan cannot be overemphasized. Ideally, it is far preferable for a city to achieve each of its yearly goals rather than having to catch up and greatly increase the level of performance in the last few years of a five year cycle. Therefore, HUD brings this matter to the City's attention as it embarks on yet another five year cycle. HUD expects to see the City meet or exceed all of its objectives both on an annual and multi-year basis.

Based on the number of years remaining under the jurisdiction's Consolidated Plan, CPD can validly evaluate whether the jurisdiction has made progress in carrying out or actually achieved the accomplishments for its Consolidated Plan objectives set forth in its strategic plan as described at 24 CFR 91.215(a)(4), 24 CFR 91.215(b)(2) or 24 CFR 91.315(a)(4), 24 CFR 91.315(b)(2), 24 CFR 91.525(a) and Exhibit 20-1. CPD uses the ACA as means for the evaluation of progress made by a jurisdiction in carrying out or achieving the accomplishments for its Consolidated Plan objectives as established in its strategic plan. According to 24 CFR 91.1(a)(1), the "overall goal" of the community development programs "is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons." Obviously, this overall goal can only be achieved through actual accomplishments as opposed to merely setting goals. Indeed, jurisdictions must strive to effectuate accomplishments to make the overall goal and their Consolidated Plan objectives a reality. Likewise, CPD evaluates these efforts to achieve the overall goal by the jurisdiction in the ACA and in on-site monitoring visits by means of the examination of the jurisdiction's progress in carrying out the accomplishments for their Consolidated Plan objectives as set forth in their strategic plan.

As can be discerned by examining the abovementioned objectives and the corresponding accomplishments (or lack thereof), the City sometimes misses its yearly goals. This condition in turn seriously jeopardizes the City's ability to achieve and meet its multi-year goals in certain instances. Therefore, CPD urges the City to make calculated efforts to remedy and correct this state of affairs with regard to future goals in future years.

Fortunately, it should be emphasized that Bryan generally meets or exceeds its multi-year goals. So, the example cited above of the failure to do so in the Owner Occupied Rehabilitation/Reconstruction activity was a rare and isolated example of lack of overall progress in meeting a multi-year goal by the City of Bryan. Therefore, this single example should not be taken out of proportion and is not an example of a widespread problem. Nevertheless, the lack of progress in the Owner Occupied Rehabilitation/Reconstruction activity is an important matter.

However, taken in totality, it is clear that the staff of the City of Bryan is generally performing at a very highly successful level and that those many noteworthy accomplishments that have been achieved are a direct result of the professionalism and hard work of the City of Bryan's staff and management during the past year.

CPD wants to specially recognize and commend the staff of the City of Bryan for its many timely accomplishments. Foremost among these accomplishments is the fact that the City

of Bryan was one of the very first grantees in all of southeastern Texas to commence its CDBG-R activity. The bid for the City of Bryan's CDBG-R project was awarded to Fuqua Construction and the notice to proceed was issued on October 20, 2009. The project was approximately 10% complete as of December 31, 2009 (well under a year from the time that the President signed the Recovery Act in February of 2009). CPD deeply appreciates the fact that the City of Bryan "swiftly" got their CDBG-R stimulus funds out into their community in order to alleviate conditions created or exacerbated by the serious economic downturn in accordance with HUD Secretary Shaun Donovan's request.

The City of Bryan's CAPER and its performance regarding acquisition and relocation activities subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended; and Section 104(d) of the Housing and Community Development Act of 1974, as amended, have been reviewed by Sara Neira, Regional Relocation Specialist. Based on the City's revisions, Ms. Neira was ultimately able to certify on February 15, 2011 that all required parts of the CAPER were submitted and the information provided adequately addressed the community's performance with regard to acquisition and relocation. Ms. Neira may be reached directly at 817-978-5937.

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in all HUD-assisted programs. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex or national origin. Title VIII was amended in 1988 by the Fair Housing Amendments Act, which expanded the coverage of the Fair Housing Act to prohibit discrimination based on disability or on familial status (presence of a child under the age of 18 and pregnant women). In the HUD workforce, Fair Housing and Equal Opportunity (FHEO) staff has the primary responsibility of ensuring compliance with fair housing laws. With reference to fair housing, FHEO staff has reviewed the information that the City of Bryan has submitted. The FHEO staff expressed no formal written concerns to CPD regarding the CAPER for Program Year 2009. Please be aware that Jeff Carlock, HUD Equal Opportunity Specialist, has been assigned as Bryan's FHEO contact pertaining to fair housing issues. He personally evaluated your CAPER. Mr. Carlock may be reached directly at 713-718-3182.

Summary

Based on our review of information pertaining to Bryan's performance in the CDBG and HOME programs during the period covered, we have determined that the City of Bryan has generally carried out its programs substantially as described in its Consolidated Plan. The Consolidated Plan submission as implemented generally complies with the requirements of the Housing and Community Development Act and other applicable laws and regulations. It has also been determined that the City has the continuing capacity to carry out its approved programs. This determination, however, does not reflect a comprehensive evaluation of specific activities. The City has met its annual report requirements.

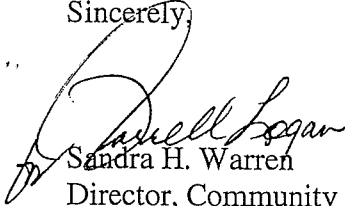
This report is intended to be shared with the public. You may provide copies to interested persons such as the news media, members of local advisory committees, and citizens attending public hearings. We also request that you provide a copy of this letter to the

Independent Public Accountant who performs the single audit of the City of Bryan in accordance with OMB Circular A-133.

Please recognize that the comments and conclusions made in this letter are subject to a 30-day review and comment period by the City of Bryan. We may revise this letter after consideration of the City's views and will make the letter, the City's comments and any revisions available to the public within 30 days after receipt of the City's comments. Absent any comments by the City, this will be considered the final letter on this subject.

Again, HUD congratulates the City of Bryan on those many noteworthy accomplishments achieved as a direct result of the professionalism and hard work of the City of Bryan's staff and management during the past year of 2009. HUD looks forward to refinement in those areas that may be improved upon so that the City achieves all the yearly and multi-year goals in the future. If you have any questions regarding this 2009 ACA, please contact me or call Robert Beck, Community Planning and Development Representative at 713-718-3119.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandra H. Warren".

Sandra H. Warren

Director, Community Planning and
Development